GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Extension of certain incentives under Industrial Development Policy 2015-20 to M/s. Berger Paints India Limited to their established integrated paints plant at Hindupur, Anantapuramu District – Orders- Issued.

INDUSTRIES & COMMERCE (P&I) DEPARTMENT

G.O.Ms.No.114 Dated:22-08-2016

Read the following:-

(1) G.O. Ms. No.10 Ind. & Com. (IP) Dept., Dt: 10.01.2012.
(2) G.O. Ms. No.78, Ind. & Com. (P&I) Dept., dt:15.09.2015 read with G.O. Ms. No.58, Ind. & Com. (P&I) Dept., dt:03.05.2016.
(3) From the Managing Director, M/s Berger Paints India Limited, letter Dt: 24.5.2016.
(4) The Empowered Committee of Secretaries Meeting held on 20.06.2016.
(5) The Minutes of the State Investment Promotion Board Meeting held on 08.07.2016.

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O R D E R

In the G.O. 1st read above, based on the recommendations of State Investment Promotion Board on 31.12.2011, orders were issued for extending certain incentives to M/s. Bergers Paints India Ltd. for establishing paints plant with an investment of Rs.294.53 crores under Industrial Investment Promotion Policy (IIPP) 2010-15 as a mega project.

2. In the reference 3rd read above, M/s. Berger Paints India Limited, Hindupur, Anantapuramu District represented that M/s. Berger Paints India Ltd is the second largest paint company in India, established integrated paints plant with an investment of Rs.496.5 Crore and creating employment to 381 persons directly and 1150 persons indirectly in two phases at Gollapuram, Industrial Area in Hindupur. It has three components (i) water based paint factory (ii) Seaward Packaging (iii) integrated paints plant. The water based paint factory has already commenced operations in 2014 and whereas, the packaging facility and integrated paint plant commenced operations in August 2015. The total investment in these projects is Rs.250 Crore and it will be Rs.350 Crore in today's terms. The unit represented that their unit suffered a lot due to agitations during pre bifurcation of State and company stands to lose almost 50% of the tax benefits as a result, the project became unviable. The decision to setup the plant in backward area of Anantapuramu District was taken based on the commitment given by the Government of united Andhra Pradesh. Now after bifurcation, they are liable to pay 14.5% VAT on the sales made in Telangana since the product has to be sent through stock transfer to Hyderabad.

3. The Company has requested for reimbursement of Gross value added tax and State Goods and Services Tax (SGST) to the extent of 100% of fixed capital investment for a period of 12 years from the date of commencement of commercial production on par with M/s.Asian Paints Ltd, which is a competitor to them. If these incentives are given, the Company propose to invest the remaining Rs.250 crore by 2025.

4. In the reference 4th read above, the Empowered Committee of Secretaries has discussed the proposal of M/s Berger Paints India Limited in detail and recommended to consider the whole project for incentives from prospective effect on the line of Asian Paints, to create a level playing field and being located in backward district.

(P.T.O)

5. In the reference 5th read above, the State Investment Promotion Board (SIPB) has discussed the proposal of M/s. Berger Paints India Limited in detail and decided to extend the following incentives to create a level playing field and being located in backward district:

(i) **For Existing unit** - 100% reimbursement of gross VAT/ State Goods and Services Tax (SGST) from the date of commercial production on the lines of M/s. Asian Paints Limited for the remaining period (12 years minus No.of years incentives availed as per original incentive package issued vide G.O.Ms.No.78, dated 10.01.2012) or upto 100% of the eligible capital investment, whichever is earlier.

6. Government after careful examination of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to the existing units of M/s Berger Paints India Limited at Hindupur , Anantapuramu District to create a level playing field and being located in backward district:

(i) **For Existing unit** - 100% reimbursement of gross VAT/ State Goods and Services Tax (SGST) from the date of commercial production of M/s. Asian Paints Limited for the remaining period (12 years minus No.of years incentives availed as per original incentive package issued vide G.O.Ms.No.10, dated 10.01.2012) or upto 100% of the eligible capital investment, whichever is earlier on the lines of Asian paints in the G.O.s 2nd read above.

7. The Director of Industries, Andhra Pradesh, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Director of Industries, A.P., Hyderabad.
M/s. Berger Paints India Limited Limited through the DOI, A.P. Hyderabad.
Copy to:
The Finance (FMU-Rev.IC)Dept.,
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Vice Chairman & Managing Director, APIIC, Hyderabad.
The Collector & District Magistrate, Anantapuramu District.
The General Manager, District Industries, Centre, Anantapur District.
The Zonal Manager, A.P.I.I.C., Anantapuramu District.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER